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SENATE BILL 326

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

BEN D. ALTAMIRANO

FOR THE LEGISLATIVE FINANCE COMMITTEE

AN ACT

RELATING TO TRANSPORTATION; ABOLISHING THE STATE TRANSPORTATION
AUTHORITY; REPEALING THE RESOURCE TRANSPORTATION AND PASSENGER
TRANSPORTATION DEVELOPMENT ACT; PROVIDING FOR THE ISSUANCE OF
TRANSPORTATION BONDS IF SPECIFICALLY AUTHORIZED BY THE
LEGISLATURE; AUTHORIZING THE STATE HIGHWAY COMMISSION TO ISSUE
REFUNDING BONDS; PROVIDING THE STATE HIGHWAY COMMISSION WITH THE
POWER OF EMINENT DOMAIN FOR CERTAIN TRANSPORTATION PURPOSES;
REPEALING AND ENACTING SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of Chapter 67, Article 3 NMSA
1978 is enacted to read:

"[NEW MATERIAL] STATE HIGHWAY COMMISSION-- POWER TO ACQUIRE
PROPERTY FOR TRANSPORTATION SYSTEMS-- POWER OF EMINENT DOMAIN. --
If specifically authorized by the legislature to construct and

Underscored material = new
[bracketed material] = delete

1 operate a transportation system, the state highway commission
2 may:

3 A. acquire property by purchase, lease, donation,
4 gift, bequest, devise or eminent domain for the purpose of
5 construction and operation of the transportation system; and

6 B. negotiate for the acquisition of property from
7 any person, governmental entity, Indian tribe or Indian pueblo
8 for the construction and operation of the transportation
9 system."

10 Section 2. A new section of Chapter 67, Article 3 NMSA
11 1978 is enacted to read:

12 "[NEW MATERIAL] TRANSPORTATION BONDS. --

13 A. If specifically authorized by an act of the
14 legislature, the state highway commission may determine that
15 interest or necessity demands the issuance of revenue bonds to
16 finance the development and construction of transportation
17 systems and may by resolution make and issue revenue bonds that
18 shall be known as "transportation bonds". The bonds shall be
19 payable solely out of the net income to be derived from the
20 operation of the project, and the commission shall pledge
21 irrevocably such income to the payment of those bonds. The
22 bonds shall not become a general obligation of the state or any
23 political subdivision of the state.

24 B. The proceeds from the sale of transportation
25 bonds shall be used solely for the purpose specified in the

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1 legislative authorization and for the purpose for which the
2 bonds were issued.

3 C. Transportation bonds shall not be issued pursuant
4 to this section unless the state board of finance approves the
5 issuance of the bonds, the principal amount of the bonds and the
6 maximum net effective interest rate on the bonds. "

7 Section 3. A new section of Chapter 67, Article 3 NMSA
8 1978 is enacted to read:

9 "[NEW MATERIAL] TRANSPORTATION BONDS--TERMS. --

10 Transportation bonds issued by the state highway commission:

11 A. shall be payable at such times as the commission
12 may provide;

13 B. may be subject to prior redemption at the
14 commission's option at such time and upon such terms and
15 conditions, with or without payment of premiums, as may be
16 provided in the resolution of the commission;

17 C. may mature at any time not exceeding fifty years
18 after the date of issuance;

19 D. may be serial in form and maturity and may
20 consist of one bond payable at one time or in installments or
21 may be in such other form as may be determined by the
22 commission;

23 E. shall be sold for cash at, above or below par and
24 at the effective interest rate approved by the state board of
25 finance; and

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1 F. may be sold at a public or private sale."

2 Section 4. A new section of Chapter 67, Article 3 NMSA
3 1978 is enacted to read:

4 "[NEW MATERIAL] REFUNDING BONDS. --

5 A. Transportation bonds issued pursuant to the
6 provisions of Section 2 of this act that are outstanding may be
7 refunded at any time by the state highway commission upon:

8 (1) the adoption of a resolution providing for
9 the issuance of refunding bonds; and

10 (2) the issuance of the refunding bonds in an
11 amount the commission determines is necessary to refund:

12 (a) the principal of the transportation
13 bonds;

14 (b) all unpaid accrued and unaccrued
15 interest on transportation bonds to the normal maturity date or
16 to selected prior redemption dates of the bonds;

17 (c) any redemption premiums; and

18 (d) all estimated costs, including any
19 commission cost, incidental to the issuance of the refunding
20 bonds, as may be determined by the commission.

21 B. The principal amount of the refunding bonds may
22 be equal to, less than or greater than the principal amount of
23 the bonds so refunded.

24 C. A refunding may be effected, whether the bonds to
25 be refunded have then matured or thereafter mature, either by

Underscored material = new
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1 sale of the refunding bonds and the application of the proceeds
2 thereof for the payment of the bonds to be refunded or by
3 exchange of the refunding bonds for the bonds to be refunded;
4 provided that the bonds to be refunded shall not be canceled
5 without the consent of the holders to surrender their bonds for
6 payment or exchange prior to the date on which they are payable
7 or if they are called for redemption prior to the date on which
8 they are by their terms subject to redemption.

9 D. The refunding bonds issued pursuant to this
10 section shall be payable solely from the revenues out of which
11 transportation bonds may be payable or solely from those amounts
12 derived from an escrow as provided in this section, including
13 amounts derived from the investment of refunding bond proceeds
14 and other legally available amounts also provided in this
15 section or from any combination of those sources.

16 E. Proceeds of refunding bonds shall either be
17 applied immediately to the retirement of the bonds being
18 refunded or be placed in escrow in a commercial bank or trust
19 company that possesses and exercises trust powers. The escrowed
20 proceeds may be invested in short-term securities, long-term
21 securities or both."

22 Section 5. A new section of Chapter 67, Article 3 NMSA
23 1978 is enacted to read:

24 "[NEW MATERIAL] TRANSPORTATION BONDS ELIGIBLE FOR
25 INVESTMENT. --Transportation bonds issued by the state highway

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1 commission are securities in which public officers and public
2 bodies of this state and its political subdivisions and
3 insurance companies, trust companies, banking associations,
4 investment companies, executors, administrators, trustees and
5 other fiduciaries may properly and legally invest funds,
6 including capital in their control or belonging to them. Such
7 bonds are securities that may properly and legally be deposited
8 with and be received by a state or political subdivision officer
9 for which the deposit of bonds or obligations of the state is
10 authorized by law. No bonds shall be eligible for investment or
11 deposit by or with the state or any of its political
12 subdivisions unless they have been rated AA or higher by an
13 independent nationally recognized bond rating service based
14 solely on the security of the bonds as investments without
15 resort to any collateral guarantees. "

16 Section 6. A new section of Chapter 67, Article 3 NMSA
17 1978 is enacted to read:

18 " [NEW MATERIAL] TRANSPORTATION BONDS-- EXEMPTION FROM
19 TAXATION. --The construction, operation and maintenance of a
20 transportation project by the state highway commission shall
21 constitute the performance of an essential governmental
22 function. As such, the income from the transportation bonds
23 issued pursuant to Chapter 67, Article 3 NMSA 1978 shall at all
24 times be free from taxation by the state and by its political
25 subdivisions. "

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1 FORTY-THIRD LEGISLATURE
2 FIRST SESSION, 1997
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4

5 February 6, 1997
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7 Mr. President:
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9 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to
10 whom has been referred
11

12 SENATE BILL 326
13

14 has had it under consideration and reports same with
15 recommendation that it DO PASS, and thence referred to the
16 FINANCE COMMITTEE.
17

18 Respectfully submitted,
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22 _____
23 Roman M. Maes, III, Chairman
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Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

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Date _____

The roll call vote was 6 For 0 Against
Yes: 6
No: None
Excused: Fidel, Robinson, Wilson, Maloof
Absent: None

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FORTY-THIRD LEGISLATURE

FIRST SESSION

February 21, 1997

SENATE FLOOR AMENDMENT number _____ to SENATE BILL 326

Amendment sponsored by Senator Ben D. Altamirano

1. On page 1, line 14, after "BONDS" strike the remainder of the line and strike line 15 up to the semicolon and insert in lieu thereof "BY THE STATE HIGHWAY COMMISSION".

2. On page 1, line 16, strike "COMMISSION" and insert in lieu thereof "AND TRANSPORTATION DEPARTMENT".

3. On page 1, line 23, strike "COMMISSION" and insert in lieu thereof "AND TRANSPORTATION DEPARTMENT".

4. On page 1, strike line 25 and on page 2, strike line 1 through "the" and insert in lieu thereof "The".

FORTY-THIRD LEGISLATURE
FIRST SESSION

SB 326

Page 11

5. On page 2, line 1, strike "commission" and insert in lieu thereof "and transportation department".

6. On page 2, line 5, strike "the" and insert in lieu thereof "a".

7. On page 2, line 8, strike the second occurrence of "the" and insert in lieu thereof "a".

8. On page 2, line 13, after "A." strike the remainder of the line and strike line 14 through "the" and insert in lieu thereof "The".

9. On page 2, line 25, after "for" strike the remainder of the line and on page 3, strike line 1 through "for".

10. On page 7, line 5, after "resources" insert ",
manufactured products".

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FORTY-THIRD LEGISLATURE
FIRST SESSION

SB 326

Page 12

Ben D. Altamirano

Adopted _____ Not Adopted _____
(Chief Clerk) (Chief Clerk)

Date _____

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State of New Mexico House of Representatives

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

March 13, 1997

Mr. Speaker:

**Your TRANSPORTATION COMMITTEE, to whom has been
referred**

SENATE BILL 326, as amended

**has had it under consideration and reports same with
recommendation that it DO PASS, and thence referred to the
APPROPRIATIONS AND FINANCE COMMITTEE.**

Respectfully submitted,

Daniel P. Silva, Chairman

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 11 For 0 Against

Yes: 11

Excused: Russell

Absent: None

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Underscored material = new
~~[bracketed material] = delete~~

State of New Mexico House of Representatives

**FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997**

March 19, 1997

Mr. Speaker:

**Your APPROPRIATIONS AND FINANCE COMMITTEE, to
whom has been referred**

SENATE BILL 326, as amended

**has had it under consideration and reports same with
recommendation that it DO PASS.**

Respectfully submitted,

Max Coll, Chairman

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FORTY-THIRD LEGISLATURE
FIRST SESSION, 1997

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Adopted _____ Not Adopted _____

(Chief Clerk)

(Chief Clerk)

Date _____

The roll call vote was 10 For 4 Against

Yes: 10

No: Bird, Buffett, Knowles, Pearce

Excused: Marquardt, Picraux, Wallace

Absent: None

M \S0326

Underscored material = new
[bracketed material] = delete